

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Billed Party Preference
for 0+ InterLATA Calls

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CC Docket No. 92-77

COMMENTS OF GTE

GTE Service Corporation and its affiliated domestic telephone operating companies ("GTE") hereby submit the following comments to the issues regarding proprietary callings cards and 0+ access presented for expedited consideration in the above-referenced Notice of Proposed Rulemaking ("NPRM" or "Notice"), FCC 92-169, released May 8, 1992.

The Commission issued the Notice to consider an alternate routing methodology, known as Billed Party Preference ("BPP") for 0+ interLATA payphone traffic along with other types of operator-assisted interLATA traffic. In this initial expedited pleading cycle, the Commission is seeking comments only on whether it should require Interexchange Carriers ("IXCs") to "share with other IXCs billing and validation data for any calling card usable with 0+ access" prior to the implementation of BPP. (NPRM at ¶ 36) Specifically, whether AT&T should be required to share its proprietary card billing and validation data or restrict the use of the card to access code (10XXX or 800/950) calling.

GTE can not support either of the interim solutions proposed. GTE, as a Local Exchange Carrier ("LEC"), believes that industry resources would be more wisely spent concentrating on the long-term BPP proposal. The cost involved, both in resources expended to implement an interim procedure and customer

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confusion, do not justify the limited benefits of either interim proposal. GTE discusses herein its position on a change in policy regarding proprietary cards in the context of the LECs' operations.

DISCUSSION

Restricting proprietary cards to access code calling will cause an unnecessary technical burden on the LECs.

The Notice proposes two interim options (1) requiring AT&T to open its billing and validation data to all IXCs or (2) restricting AT&T's proprietary calling card offering to access code dialing (10XXX or 800/950).

Should AT&T choose to restrict its proprietary cards to access code calling, an unnecessary technical burden would be placed upon the LECs. AT&T does not currently have the capability to screen incoming calling card calls to determine which calls were originated via 0+ or 10XXX0+. If the FCC orders this, the new responsibility would fall to the LECs. Today, the LECs screen and route traffic to appropriate IXCs based on the various access codes. While the call set-up information is routed to the IXC, the access code used to originate the call is not forwarded. Currently, GTE and other LECs route 0+ AT&T calls and 10XXX0+ AT&T calls intermingled on common trunk groups. Thus, AT&T receives all originating calling card calls over the same trunk group without the ability to differentiate between 0+ and 10XXX0+.

In order for AT&T to restrict calling card access to 10XXX, the LEC would have to perform several additional functions beyond that which is provided to AT&T today. First, the LECs would have to identify and separate 0+ from 10XXX0+ traffic. Second, the 0+ traffic would have to be blocked. The LEC

could block 0+ at its end office and attach the appropriate recorded announcement that the call could not be completed as dialed. Alternatively, if the LEC passed the 0+ and the 10XXX traffic to AT&T, the 0+ traffic would have to be passed on separate trunk groups from 10XXX traffic so that AT&T could provide the appropriate announcement on the blocked 0+ calls and process the 10XXX calls. In the latter case, separate routing would be required. Not only would the additional trunks required to separate the traffic be costly, it would result in network inefficiencies since these trunks would not likely be at full capacity, even at peak traffic times of the day.

In addition to the technical complexities, there is the issue of cost recovery by the LEC. If the network rearrangements discussed above to permit AT&T to block 0+ call were to be implemented, it would result in increased costs to GTE of at least \$20 million which would have to be recovered on a compensatory basis. If the LEC blocks 0+, the cost of the additional announcing equipment and network rearrangement must either be recovered from AT&T through some new rate element added to Part 69 or those costs will be spread among all IXCs and recovered through the per minute access charges, assuming exogenous treatment of the costs is permitted. The current cost recovery mechanism of per minute access charges would be inappropriate.

Thus, GTE believes that restricting AT&T proprietary cards to access code calling will cause an unnecessary technical burden on the LECs and is not a viable interim solution to BPP.

Any requirement which makes billing and validation data available to other parties will cause customer confusion.

Requiring AT&T to share its billing and validation data, including Billing Name and Address ("BNA"), with other IXCs would give the other carriers the ability to validate and bill a 0+ call originated by an AT&T proprietary card customer. GTE is opposed to any proposal which requires any calling card issuer, including AT&T, to make BNA information available to other parties that want to accept and honor a particular calling card.¹ Such a policy would create and add to customer confusion and customer dissatisfaction. The Commission, recently unblocked 10XXX and 800/950 dialing from payphones.² The goal of this proceeding should be to continue to simplify interLATA calling not to complicate it by effectively restricting the most basic dialing arrangement, 0+.

As with any bank credit card, the calling card customer has entered into an arrangement with the card issuer and expects to receive a bill from the card issuer. If the Commission requires BNA information to be made universally available, however, any carrier choosing to accept another carrier's calling card can also issue a separate bill for calls placed on that card. Any billing arrangement not agreed to by the customer would likely result in customer

¹ GTE addressed this issue in its Comments in CC Docket No. 91-115, August 15, 1991 and incorporates those comments by reference herein. Specifically, GTE stated that "direct billing would be contrary to the arrangement the cardholder expects from the calling card. . . the implied understanding on the part of the cardholder is that the [card issuer] will bill for all services charged to that card." GTE Comments at 14.

² See CC Docket No. 91-35. Allowing another carrier to bill or requiring AT&T to block 0+ from payphones would further add to the already existing customer confusion.

confusion. Such a requirement goes well beyond that necessary to assure that other IXCs have the opportunity to complete the underlying call.

For example, it would be possible for a customer placing a 0+ calling card call to: (1) offer the card of carrier "A", (2) have the call transported by carrier "B" based on presubscription, (3) have carrier "C" acting as a billing clearing house for carrier "B" and (4) have a fourth carrier "D" perform the billing and collection for carrier "C". The customer that placed the call may encounter a trail of three other carriers in the transporting and billing of the call without ever encountering the original carrier whose card was presented. In other words, the customer may not recognize or have a business relationship with any of the names appearing on the bill, since AT&T's name would not appear on the bill. Often the LEC is the one the customer confronts with his confusion and dissatisfaction.

An alternative to requiring AT&T to allow other IXCs to validate its proprietary card without offering BNA gives little advantage to the other IXCs. The IXCs would also need to establish a billing and collection relationship with AT&T to bill and collect for the call. Based upon GTE's experience, negotiating and implementing billing and collection contracts is a time consuming process. It is unrealistic to require this arrangement for a short-term, interim solution.

Thus, the Commission should not require any calling card issuing carrier to release BNA information or bill for another carrier. Because the customer expects to receive service and the bill from the card issuer, multiple billings would be unwanted and confusing.

Forcing AT&T to limit its proprietary card to 10XXX0+ access would impact the intraLATA market and could indirectly result in a reduction of the LECs' intraLATA toll revenue.

While the proposal would not apply directly to intrastate or intraLATA calls, it would have an unintended impact on the intraLATA market, causing a potentially significant reduction in the LECs' intraLATA toll revenue. In jurisdictions where there is no intraLATA presubscription, the 0+ intraLATA traffic is handled by the LECs. Customers have the ease of dialing 0+ using a variety of calling cards, including AT&T's proprietary card. If AT&T is forced to limit calling card access to 10XXX0+ for interstate calls, a different dialing pattern would be required for interLATA and intraLATA calling. Customers may assume that 0+ intraLATA calling is also limited. This could create a significant shift of intraLATA toll revenue from the LECs. At a minimum, customers would find an already difficult payphone dialing scheme even more confusing. Thus, intraLATA calling will be affected indirectly.

This potential negative affect on the LECs' intraLATA toll revenue and added customer confusion are further reasons for not implementing the proposed interim solution for BPP.

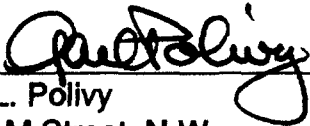
CONCLUSION

Requiring AT&T to share billing and validation for its proprietary calling card or restricting the use of the card to access code calling are not viable interim solutions to the Commission's BPP proposal. The telecommunications

industry and the Commission efforts should be focused on the resolution of BPP and not to further confuse the consumers by effectively restricting the most basic dialing arrangement, 0+.

Respectfully submitted,

GTE Service Corporation and its
affiliated GTE domestic telephone
operating companies

By 
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June 2, 1992

THEIR ATTORNEY

CERTIFICATE OF SERVICE

I, Jennifer R. McCain, hereby certify that copies of the foregoing "Comments of GTE" have been mailed by first class United States mail, postage prepaid on the 2nd day of June, 1992, to all parties of record:

By Jennifer R. McCain
Jennifer R. McCain